

37 Am. Jur. 2d Fraud and Deceit § 175

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Fraud and Deceit

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IV. False Representations

G. Representations and Statements as to Particular Matters

3. Value, Cost, and Income of Property

b. Cost or Price Paid, Offers, Etc.

§ 175. Generally

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, [Fraud](#) 27, 28

As a general rule, false statements by one disposing of property commercially to a person negotiating for its acquisition, with reference to the cost thereof, are sufficient to authorize or sustain a charge of fraud if the statements are made to influence the transaction relating to the property and are relied upon by the representee to the representee's injury.¹ A vendor or the vendor's agent, dealing at arm's length with a purchaser, is guilty of fraud entitling the purchaser to relief where such vendor or agent misrepresents the price paid for the property, or the price someone else paid for it, and that statement is relied upon by the purchaser to the purchaser's detriment.² This rule has also been applied to such misrepresentations by one exchanging property.³

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Footnotes

¹ [Essenburg v. Russell](#), 346 Mich. 319, 78 N.W.2d 136 (1956).

² [Dunlap v. Peirce](#), 336 Ill. 178, 168 N.E. 277, 66 A.L.R. 181 (1929).

³ [Fenwick v. Sullivan](#), 102 Vt. 28, 145 A. 258 (1929).